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C O N F I D E N T I A L SECTION 01 OF 03 TAIPEI 000385

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TAGS: [PGOV](#) [TW](#)

SUBJECT: KMT CHAIRMAN WU: MA VICTORY NOT ASSURED, REFERENDA  
WILL FAIL

Classified By: Director Stephen M. Young, Reason(s): 1.4 (B/D).

11. (C) Summary: KMT Chairman Wu Po-hsiung told the Director on March 18 that the presidential race is within ten points, and still very much up for grabs. The effect of several factors, including Ma's green card and the disturbance in Tibet, remained unpredictable. The Director suggested to Wu that China's leaders may be less willing to compromise with Taiwan's next president following the separatist unrest in Tibet. Wu acknowledged this possibility, but expressed faith in Ma's ability, if elected, to make quick progress on cross-strait flights and expanded PRC tourism in Taiwan. Without elaborating, Wu said he was worried less about DPP "dirty tricks" than he was about the personal safety of Ma and his running mate Vincent Siew. Wu surmised that President Chen would be focused on his own post-presidential welfare and, thus, would not pull any "surprises" in the two months between the election and his successor's inauguration.

Wu expressed confidence that both UN referenda would fail, and that a late endorsement by former president Lee Teng-hui would have little effect on the presidential race. The Director reminded Wu that the election is a unique opportunity to improve relations with China, and urged Wu and his party to seek common ground with the DPP, regardless of who wins the presidential race. End Summary.

12. (C) Director Young met with KMT Chairman Wu Po-hsiung and campaign adviser Stephen Chen at KMT headquarters the morning of March 18.

Election Vulnerable to Recent Events  
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13. (C) Wu told the Director there are many factors which are capable of influencing the election in these final four days, including the March 12 "door-kicking incident" at Hsieh's campaign headquarters and the recent statement by former AIT/W Chairperson Therese Shaheen that China will "demand more" from Taiwan if Ma is elected. Shaheen's remarks could hurt Ma, Wu explained, because many in Taiwan believe she still represents the U.S. government, or is at least close to AIT. The Director clarified that Shaheen is in Taiwan as a private businessperson, with no official or unofficial connection to AIT or the U.S. government, and was expressing her personal viewpoint.

14. (C) AIT's reactions are also having an effect on the race, Wu said, pointing to the issue of Ma's green card and ongoing DPP allegations that it remains valid. The absence of a clear-cut answer from AIT or the USG has allowed the DPP to perpetuate and embellish the story, Wu complained. The allegations are all false, added Wu, but the story still resonates with credulous voters. The Director reminded Wu that AIT had answered in writing all of Ma's green card-related questions, to the fullest extent permitted by American law. AIT handled the matter with the utmost delicacy, added the Director, to avoid prejudicing either of the presidential candidates. Wu thanked the Director and the USG for its tact in handling the green card issue, and let the matter drop.

15. (C) The DPP is using the social unrest in Tibet to remind voters in Taiwan that China is capable of the harshest forms of repression, said Wu. Frank Hsieh has gone so far as to claim that Taiwan will become "the next Tibet" if Ma is elected president. A somewhat agitated Wu insisted that Taiwan and Tibet are nothing alike -- Taiwan is an independent, sovereign country with the right of self-rule. There is no way that Taiwan could become Tibet, he argued, as long as Taiwan elects its own leaders. Ma and the KMT are trying to counter DPP alarmism by voicing support for Tibetan self-rule and sympathy for Tibetan victims of China's crackdown. Ma will also continue to denounce China's attempt to control Taiwan through the Anti-Secession Law, he added. If elected, Ma in the near term will focus on cross-Strait flights and expanded trade and tourism, said Wu. The DPP claim that unification talks are just around the corner is nonsense, since the necessary conditions are absent, and probably decades away.

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#### Tibet Could Color Taiwan-PRC Relations

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16. (C) The Director cautioned Wu that the disturbance in Tibet may color China's attitude toward Taiwan's next president. Ma has set an ambitious timeline to achieve regular cross-Strait flights and increased Chinese tourism to Taiwan, the Director noted, but the process may not go as smoothly as Ma hopes. The instability in Tibet has likely increased anxiety levels in Beijing, making Chinese leaders more risk-averse. The leadership could also be under increasing pressure to take a strong stand against any form of separatism, making it more difficult for Beijing and Taipei to find common ground. Wu acknowledged this possibility, but expressed confidence that Ma, if elected, would be able to achieve his goals on tourism and flights within a reasonable time.

#### Can KMT Control Its Legislators?

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17. (C) The March 12 "door-kicking" incident involving the attempt by four KMT legislators to barge into Frank Hsieh's headquarters would seem to raise questions about the KMT's ability to control the behavior of its legislators, the Director commented. Wu agreed, but claimed the public outcry following the incident had given him the political clout to lay down clear rules for legislators' behavior, and consequences for violations. Wu claimed to have told KMT legislators that "if they wish to earn money, they should quit public service and go into business." (Comment: AIT remains doubtful of the KMT leadership's ability to control its legislators. The new, smaller LY districts put legislators much closer to local interests, which may increase the likelihood of corruption. This is especially so for KMT legislators eager to cash in after eight years as the party out of power. End comment.)

#### Worries Over Ma-Siew Personal Safety

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18. (C) Wu told the Director his chief concern in the closing days of the race is not a last-minute DPP "dirty trick," but the personal security of Ma Ying-jeou and his vice-presidential running mate Vincent Siew (Wan-chang). Ma and Siew both wear bullet-proof vests when interacting with the public, but it is not possible to protect the candidates from everything they might encounter, worried Wu. The Director noted that the U.S. and Taiwan had been working together to improve security for all four of the candidates, and that Taiwan is in general a very safe place. As Wu was walking the Director out after the meeting, he also expressed concern about the safety of the DPP candidates, a subject news reports later in the day touched upon as a concern of the KMT Chairman.

Chen Boxed In?  
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19. (C) The Director asked Wu whether the KMT expected President Chen to unveil any "surprises" between the March 22 election and the May 20 presidential inauguration. Chen is still the president, Wu replied, and during those two months he will still be able to appoint supreme court justices, prosecutors, and other high level government officials. But Chen must look out for his personal welfare after he leaves office, Wu continued, and must be careful not to antagonize his successor, whoever that might be. That might be especially true, the Director remarked, if Hsieh were to win the election. If Chen the lame-duck tries to set DPP policy after the election, the Director reasoned, the DPP, eager to transition to Hsieh's leadership, would reject it. Wu agreed, and added that in that context, there was no way that Chen could hold a defensive referendum before he leaves office.

Referenda Going Down to Defeat  
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110. (C) In response to the Director's query, Wu predicted

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that both the DPP and KMT UN referenda would fail. The main reason the KMT decided to boycott the DPP referendum, he explained, was to prevent further damage to the U.S.-Taiwan relationship. Many in the KMT had called for a boycott of both referenda, Wu explained, but doing so would have opened Ma and the KMT to charges they "do not love Taiwan" and are "controlled by Beijing." Wu told the Director that the KMT will continue to seek "participation" in the UN and other international organizations, even if both referenda fail as expected. He saw no legal impediments to this long-standing practice.

Turnout Near 80 Percent, Rain or Shine  
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11.(C) Wu told the Director that internal polls indicate Ma currently leads Hsieh by ten points (three points below the 13 point lead KMT campaign adviser John Feng described on March 15 as the KMT's "comfort zone"). Ma's popularity had recovered much of the loss caused by the March 12 "door-kicking" incident, said Wu, but the KMT still remains "nervous" about the election outcome. KMT voters are highly motivated, and will not be deterred by the rain expected for Taiwan on Saturday. Wu predicted that overall voter turnout will be between 75-80 percent, but he did not say whether this augured well for the KMT candidate. Wu did say that the recent global economic downturn may help Ma win. Local pundits have predicted Taiwan's stock market will go up to 10,000 if Ma wins, but down to 6,700 if he loses.

Nobody Listens to Lee Teng-Hui  
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112. (C) The Director asked whether former president and TSU

"spiritual leader" Lee Teng-hui still had a role to play in this election. Wu replied that Lee's endorsement would have little impact because few people still listen to what Lee has to say. Furthermore, Lee has been marginalized by others in the TSU, leaving him in no position to endorse Hsieh.

#### KMT Focus on Youth and Reform

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¶13. (C) Wu told the Director he will remain the KMT Chairman if Ma is elected, and will serve out the remainder of his term, stepping down in July 2009. Wu claimed to have no further political aspirations, and would spend the rest of his tenure helping Ma reform the party and cultivating the KMT's next generation of young leaders.

¶14. (C) In closing, the Director stated Washington's expectation that Taiwan's presidential election would bring about a new opportunity to improve cross-Strait relations. Washington continues to urge Beijing to talk to Taiwan's elected leaders, but Beijing continues to hold on to outdated notions on how to deal with Taiwan. The U.S. will continue to push both sides to adopt a more flexible, practical approach to cross-Strait ties. The Director also urged the KMT, regardless of whether Ma is elected, to seek common ground with the DPP.

#### Comment

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¶15. (C) Like his candidate, KMT Chairman Wu remains nervous of a strong finish by the DPP. That said, the KMT seems more reactive to DPP attacks than trying to establish their bona fides as the future ruling party, as this race heads to the finish line.

YOUNG